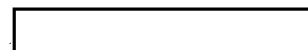


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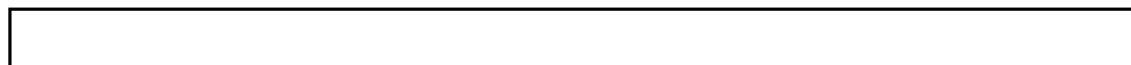
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Army and State Department
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CENTRAL INTELLIGENCE BULLETIN

6 January 1961

DAILY BRIEF

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II. THE COMMUNIST BLOC

Berlin: The near record refugee flow to West Berlin over the holiday period reflects the deep-seated disaffection of the East German populace, even among doctors, teachers, and technical men, to whom the regime has been granting special political and economic concessions. Some relaxation in East German controls also probably contributed to the fact that 4,345 refugees were able to flee to West Berlin in the week ending 3 January. The refugee flow to Berlin in the last twelve months has totaled more than 150,000--as compared with 90,000 in 1959. Ulbricht's difficulty in dealing with this problem is complicated by the USSR's desire to keep tensions over Berlin down pending a period of East-West negotiations.

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III. ASIA-AFRICA

Ethiopia: Emperor Haile Selassie's failure to follow up his success in crushing the recent attempt to depose him with positive steps to reconstruct his regime has paralyzed normal governmental operations and is raising doubts among Ethiopians regarding his ability to reassert his one-man rule over Ethiopia. On 3 January a high security official appealed for calm over Radio Addis Ababa and denied the credibility of numerous rumors circulating in the capital. While the American ambassador foresees no immediate breakdown of public order, he points out that trouble could break out if the Emperor fails to take early steps to quell the discontent.

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Japan: [The Socialist party has begun a campaign to rally popular opposition to government negotiations for settlement with South Korea by pointing out that Seoul cannot speak for all of Korea. Since mid-October the Socialists have shifted their tactics away from the mass action of last summer to attacking the conservative government in parliament on issues with wide popular appeal such as renewal of Sino-Japanese relations and]

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DAILY BRIEF

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25X1 opposition to Japan's defense build-up. The more moderate Socialist approach in the present political context offers considerable danger to the government and to US-Japanese relations. [REDACTED]

25X1 Nepal: Leaders of both the Communist party and the former ruling Nepal Congress party have begun separately to operate underground in Nepal. They are also engaging in organizational activities in India in opposition to the takeover of the government by King Mahendra. The King's 5 January ban on political parties will strengthen their determination to oppose his direct-rule policies. Former Deputy Prime Minister Subarna Shumshere, who has been in Calcutta since the King's takeover in December, is already in contact with Indian government leaders and has reportedly received New Delhi's [REDACTED] blessing for "limited resistance activities." Subarna has, however, ruled out collaboration with the Communists. [REDACTED]

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IV. THE WEST

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DAILY BRIEF

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**V. SIGNIFICANT INTELLIGENCE
REPORTS AND ESTIMATES**

(Available during the preceding week)

Chinese Communist Atomic Energy Program--Summary and Conclusions: Organization, Technical Capabilities, Ore Production, Soviet Aid, and Likely Dates for First Chinese Production Reactor to Attain Criticality and for Detonation of a Nuclear Device. NIE 13-2-60. 13 December 1960. [REDACTED]

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Probable Communist Intentions in Laos and Factors Likely to Affect Future Soviet, Chinese, and North Vietnamese Moves. SNIE 68-2060. 28 December 1960. [REDACTED]

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Soviet Atomic Energy Program. Graphs, Maps, Tables. NIE 11-2A-60. 21 June 1960. (Disseminated 14 December 1960.) 116693. [REDACTED]

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DAILY BRIEF

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A near record holiday flow of more than 7,000 refugees reached West Berlin in the two weeks including Christmas and New Year's--some 4,345 in the week ending 3 January. This influx brings the total number of escapes to West Berlin in 1960 to more than 150,000, compared with less than 90,000 last year. Escapes to both West Berlin and West Germany this year totaled just under 200,000, compared with less than 144,000 in 1959. Among the refugees are many medical men, teachers, engineers, technicians, and skilled workers whose services are vitally needed by the Ulbricht regime.

In recent weeks, the regime has sought to stem the flow at least among professional people. Medical men, teachers, and engineers have been promised better living conditions, some relief from political pressures, and an opportunity to follow their professional preferences. Party boss Ulbricht took a conciliatory line in his report to the eleventh central committee plenum in mid-December, admitting even that "sometimes there is reason for dissatisfaction" in East Germany. He reproved officials for using "crude" methods toward professional men and intellectuals and ordered instead the use of persuasion.

Left to himself, Ulbricht probably would sharply intensify controls on East Germans desiring to travel to West Berlin and West Germany. However, he must instead fall in line with the USSR's desire to keep tension over Berlin at a low point for at least the time being. The regime has therefore reduced controls within Berlin and reportedly in mid-December liberalized the granting of permits to visit the Federal Republic. As Ulbricht complained in his speech to the party plenum: "We had to and still must compete with imperialist and capitalist West Germany with open frontiers. This is not easy."

In past months, there has been evidence that East German party functionaries have been critical of Khrushchev's decision to delay a solution of the Berlin question. Although Ulbricht has always seemed to accommodate himself to Khrushchev's tactics and has kept such elements in line, internal party pressures for harsher policies to prevent escapes will probably mount.

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Emperor Haile Selassie has failed to follow up his success in crushing the recent attempt to depose him by taking positive steps to reconstruct his regime. As a result, normal governmental operations have become paralyzed, and there are indications that some Ethiopians are beginning to doubt his ability to reassert his one-man rule in Ethiopia. The Emperor's inaction and his recent public pronouncements reveal an intense preoccupation with the security of his regime and with the lack of personal loyalty displayed toward him during the abortive coup. Meanwhile he is completely disregarding the need for reforms.

Continued instability in the capital was demonstrated on 3 January when a high security official made an appeal over Radio Addis Ababa for calm and declared that rumors circulating in the capital were groundless. One rumor--that the army has threatened to "take action" unless it receives an immediate pay raise--is causing considerable apprehension in government circles, in part because the short-lived coup government promised such a raise. The American ambassador observes that even if this rumor has no factual basis, it might create sufficient discontent to cause possible action by the army or by individual soldiers. Regarding another rumor--that Ethiopian foreign officials have defected and are seeking political asylum--the ambassador indicated that a number of officials are known to be dissatisfied with the prevailing situation in Addis Ababa and that there now is much more criticism of the Emperor than before the attempted coup.

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[Despite indications that his shaky regime may face even more serious difficulties, the Emperor is reported opposed to making concessions to progressive younger elements who advocate some of the reforms also promised by the rebels. He is said to be seeking advice only from the surviving members of the conservative old guard who oppose changes in present government policy, in the hope of maintaining the status quo.] While the ambassador foresees no immediate breakdown of public order, he believes there may be trouble if the Emperor fails to take early steps to quell the discontent.

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New Socialist Strategy More Dangerous to US
Interests in Japan

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[On 3 January the Japanese Socialist party began a campaign to rally popular opposition to government negotiations for an over-all settlement with South Korea by pointing out that Seoul cannot speak for all of Korea. The Socialists issued a statement that an agreement would perpetuate the partition of Korea and open the door to formation of a northeast Asian military alliance among Japan, South Korea, Nationalist China, and the Philippines. They are also exploiting popular apprehension that no settlement of Korean financial claims will be final if North Korea is excluded.]

[This attack is in line with tactics adopted by the party in mid-October, when it abandoned last summer's mass demonstration tactics and began attacking the conservative government in parliament on issues having wide popular appeal. This new moderate approach in the present political context offers considerable danger to the government and to US-Japanese relations.]

[During the special Diet session which ended on 22 December, the Socialists replaced last year's frontal attack on the US alliance with a less direct one in the form of a widely appealing argument for neutralism. They argued that the consequences of US dollar-protection measures support their position that Japan can no longer depend wholly on the US for trade and should renew trade relations with Communist China. They maintained that the Japanese economy cannot afford increased defense expenditures, that American military assistance will soon be drastically cut because of the US balance-of-payments problem, and that the Japanese must therefore seek security in nonaggression pacts with their Communist neighbors.]

[The theoretical basis of the new Socialist tactics is the so-called "structural reform" program promoted by Secretary

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[General Saburo Eda and modeled on pronouncements of Italian Communist party Secretary General Togliatti. This program calls for de-emphasizing class struggle and long-range goals which can be accomplished only after the Socialists have come to power and for concentrating on immediate popular issues where there is a possibility of forcing changes in government policy. The program probably represents only a temporary shift to gain greater popular support. Its unacknowledged goal is to create a series of government crises, to topple successive conservative governments, and eventually to undermine conservative strength.]

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Scientific Adviser to the President
Director of the Budget
Director, Office of Civil and Defense Mobilization
Director, National Aeronautics and Space Administration
Special Assistant for Security Operations Coordination
Chairman, Board of Consultants on Foreign Intelligence Activities
Special Assistant for Foreign Economic Policy
Executive Secretary, National Security Council

The Department of State

The Secretary of State
The Under Secretary of State
The Under Secretary of State for Political Affairs
The Deputy Under Secretary of State for Political Affairs
The Deputy Under Secretary of State for Administration
The Counselor
Director, International Cooperation Administration
The Director of Intelligence and Research

The Treasury Department

The Secretary of the Treasury

The Department of Defense

The Secretary of Defense
The Deputy Secretary of Defense
Assistant Secretary of Defense for International Security Affairs
The Secretary of the Army
The Secretary of the Navy
The Secretary of the Air Force
The Chairman, The Joint Chiefs of Staff
The Director, The Joint Staff
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Assistant Chief of Staff for Intelligence, Department of Army
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Assistant Chief of Staff, Intelligence, Department of the Air Force
Supreme Allied Commander, Europe
Commander in Chief, Pacific

The Department of Commerce

The Secretary of Commerce

Atomic Energy Commission

The Chairman

Federal Bureau of Investigation

The Director

National Security Agency

The Director

National Intelligence Center

The Director

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